Department of Finance

News Release

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IMF Praises Economic Plan of Canada's New Government

The Honourable Jim Flaherty, Minister of Finance, today welcomed the release of an annual International Monetary Fund (IMF) report, which praises Canada's strong economic performance, forecasts continued growth and welcomes *Advantage Canada*, the long-term economic plan of Canada's New Government.

"The IMF report confirms what I have been saying for some time: Canada's economy is strong and will only get stronger with the implementation of *Advantage Canada*," said Minister Flaherty. "*Advantage Canada* sets out a bold and exciting course for a strong, united and outward-looking Canada, a Canada with purpose and passion, that believes in itself and is a shining example to the world of what a great nation can be."

Advantage Canada is based on four core principles that will guide the Government's future policy decisions:

1) focusing government on what it does best;

2) creating new opportunities and choices for people to excel;

3) investing for sustainable growth; and

4) freeing business to grow and succeed.

The *2007 IMF Article IV Consultation with Canada* report forecasts annual real gross domestic product growth to be 2.5 per cent in 2007 and 3 per cent in 2008. It also notes that sound monetary and fiscal frameworks have delivered macroeconomic stability, and that the Government's fiscal policy "is appropriately focused on reducing debt, lowering taxes, and reforming the equalization system."

As required by Article IV of its Articles of Agreement, the IMF reviews the economic developments and policies of each member country, usually on an annual basis. The IMF's report is released at the discretion of the country being reviewed. The Government supports this release in recognition of the importance of the IMF's surveillance activities, and as an expression of Canada's commitment to ensuring that these activities are transparent.

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The IMF's full report on Canada and its accompanying papers can be found on the IMF website at www.imf.org.

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